

ASSOCIATION NEWS

REPORT ON THE THIRD INTERNATIONAL CONFERENCE ON ALCOHOL AND ROAD TRAFFIC

The Third International Conference on Alcohol and Road Traffic was held in London, England, from September 3 to 7, 1962. The first Conference was held in Stockholm in 1950 and the second in Toronto in 1953.

There are many aspects of highway safety, but the fact that this particular aspect has an international group devoted entirely to its study and solution shows the great importance of the problem of alcohol and road traffic.

The British Medical Association was the host society and did all the organizational work for the Conference. The meetings were held in B.M.A. House. The Patron was H.R.H. Prince Philip; the President was the Right Hon. Ernest Marples, Minister of Transport; and the General Chairman was Dr. E. J. Wayne, Glasgow University. More than 220 delegates attended, from 22 countries.

From the outset it was evident that a close working relationship existed between the British Government and the B.M.A. In his address at the official opening, Mr. Marples expressed his Government's appreciation of the helpful part played by the B.M.A. in working toward reduction of the traffic hazard posed by the drinking driver. Throughout the week's proceedings, this co-operation was referred to by several speakers. In particular, Mr. Marples acknowledged the help of the B.M.A. Committee on Alcohol to four governments since 1935. In framing the recent legislation, he said the Government had drawn heavily on the Drew Report of 1960, and the clinical reports of this Committee had been incorporated into law. Mr. Marples concluded his address by saying: "We have taken only the first step in the recent law. We hope to have evidence to support another bill, if necessary. The British Government and I are determined to do everything possible to solve the problem of the drinking driver."

The Conference was divided into three broad sections:

1. Law and Enforcement.
2. Pharmacological, Physiological and Psychological Aspects, including Analytical Methods.
3. Sociological Aspects, including Accident Statistics, Public Information and Insurance.

Many papers were presented by a wide variety of delegates, but there was no digression from the main subject of the Conference. The entire proceedings will be published at a later date, but the following are some of the highlights of the Conference.

BRITAIN

Professor J. Cohen discussed the matter of risk versus hazard. He noted that the highly skilled driver makes errors of judgment and these increase with the intake of alcohol. It is judgment that counts in driving safety, not skill, and the smallest level of blood alcohol is the safest. He felt that the levels adopted as "safe" in the U.S.A. are too high. He also suggested that the period of "hangover" might be more important than is at present realized.

Professor J. C. Smith discussed legal aspects. If arbitrary blood alcohol levels are established by law, the idea should not be encouraged that it is safe to drink up to the legal levels.

SWEDEN

Mr. Surrell, as was to be expected, presented a most interesting and comprehensive paper. Sweden's first law against intemperance while driving was passed in 1920. In 1934 the law was amended to require blood tests. In 1942 the legally permissible blood alcohol level was set at 0.15%; this was reduced in 1957 to 0.08%, and since then to 0.05%.

Drinking drivers are divided into two categories:

First Degree: those with levels of 0.15% or more.

Second Degree: those with blood alcohol levels of 0.05% to 0.15%.

Penalties depend on the blood alcohol category and other circumstances. In 1956 there were 1164 convictions; 764 involved first degree, and 372 second degree blood alcohol categories. Twenty-eight cases were not clearly defined as to this category.

Of those convicted in the first degree category, 202 were fined and 562 were jailed. Of those in the second degree category 355 were fined and 15 were jailed.

Withdrawal of licence is obligatory for those convicted of driving while under the influence of alcohol and is not considered part of the punishment.

In reply to a question, Mr. Surrell said that these laws had reduced the incidence of drinking driving, but he could not say that there had been a decrease in alcoholism.

GERMANY

Dr. Bousha dealt with the subject of blood alcohol levels in his country. The law set a level of 0.15% as one rendering a driver incapable of driving. Further evidence is required in court in cases where the level is between 0.05% and 0.15%. Dr. Bousha's committee has recommended that offenders with a level of 0.08% be subject to punishment.

CANADA

Dr. Schmidt reported that, in Canada, 28% of all convicted drivers are pathological alcoholics.

Dr. H. Ward Smith discussed the subject of biochemical testing. In Ontario, prior to 1956, blood tests only were used. In 1956, 300 breath tests were done, and this increased to 8000 in 1961. The Ontario Government now has 38 breathalyzers, and there are 150 officers throughout the province trained to conduct tests with this apparatus. Breath tests were instituted in the U.S.A. in 1938, and this enabled Ontario to avoid some pitfalls in their use. Dr. Smith gave several reasons for favouring the use of the breathalyzer, including the fact that it involves less contamination than do tests of blood alcohol levels, and the fact that tests may be taken near the scene of the accident by a police officer.

Dr. Smith deplored the fact that after five years of operation of breathalyzer tests the percentage of re-

fusals is increasing, and those who refuse to submit to this test tend to be repeated offenders.

Recent British Legislation

To most delegates, and certainly to those from Great Britain, the highlight of the Conference was the report of the British Road Traffic Act which was passed in August 1962. This Act, described as a first step, originated in the House of Lords and gives the Minister of Transport important new powers. Automatic disqualification will be imposed on drivers who, within a period of three years, have committed any three of six of the more serious offences, including driving under the influence of alcohol.

The Act aims to tighten the law relating to the drinking motorist. Harsh penalties await the driver whose "ability to drive properly for the time being" has been impaired by excessive drinking. The police will no longer have to prove that a motorist who has been drinking too much is more or less "drunk and incapable".

The outstanding part of the Act deals with biochemical tests (on blood, breath or urine). While these tests are not to be made compulsory, if a motorist refuses the test, the fact that he declined can now be introduced in court as evidence against him.

The proceedings of the Conference were widely reported in the British daily press, with emphasis on the new British law. During the following eight weeks in Britain, I did not see a single editorial or "Letter to the Editor" criticizing the legislation. All with whom I discussed the Act approved of it, including citizens of Scotland.

This British Act stands in sharp contrast with the present Canadian Criminal Code. Section 224, paragraph 4, of the Canadian Code reads as follows:

"No person is required to give a sample of blood, urine, breath or other bodily substance for chemical analysis for the purposes of this section, and evidence that a person refused to give such a sample or that such a sample was not taken is not admissible nor shall such a refusal or the fact that a sample was not taken be the subject of comment by any person in the proceedings."

With a highway mortality in Canada almost double that of Britain (21.1 to 12.1 per 100,000), similar legislation in Canada is long overdue.

WALLACE TROUP, Chairman,
Committee on Medical Aspects
of Traffic Accidents,
Canadian Medical Association

THE COMMITTEE ON PHARMACY

For the first time in several years the Committee on Pharmacy of The Canadian Medical Association will meet at C.M.A. House, on February 7 and 8, 1963. Under the chairmanship of Dr. D. L. McNeil of Calgary, each Division will be represented by the Chairman of its provincial Committee on Pharmacy. Legislation and regulation of the introduction of new drugs, more adequate control of old ones, pharmaceutical advertising and promotional methods, the reporting of toxic effects following drug therapy and other aspects of the current therapeutic scene will be discussed.



Alex Gray

A GIFT FROM THE ALBERTA DIVISION

On December 7, 1962, at the meeting of the C.M.A. Executive Committee in Toronto, the Alberta Division presented The Association with a replica of the staff of Aesculapius that is displayed in the new C.M.A. Alberta House. Dr. R. K. C. Thomson (right) of Edmonton, President of the Alberta Division, made the presentation, which was received by Dr. M. R. MacCharles, Winnipeg, President of The Canadian Medical Association. This replica will be placed on display at C.M.A. House, Toronto.



Observer (Sarnia)

C.M.A. CERTIFICATE OF MERIT

At the Lambton County (Ontario) Medical Society's Annual Clinic Day, October 24, 1962, held at the Sarnia Riding Club, The Canadian Medical Association's Certificate of Merit was presented by the Society, on behalf of The Association, to Mr. Willem Wassenaar of Sarnia, who received the award and a \$100 cheque in recognition of his medical exhibit which took top honours at the First Canada-Wide Science Fair in May 1962. Dr. W. A. Wong, president of the Lambton Medical Society, is seen with Mr. Wassenaar, Dr. H. W. Quinn, director of the Sarnia Science Fair, and Mr. W. Wood, principal of the St. Clair Secondary School where Willem is a student.

DOMINION INCOME TAX RETURNS BY MEMBERS OF THE MEDICAL PROFESSION

[Text of a memorandum approved by the Department of National Revenue for the guidance of doctors making income tax returns relative to the year 1962]

Individuals whose income—(a) is derived from carrying on a business or profession (other than farming); (b) is derived from investments; or (c) is more than 25% derived from sources other than salary or wages, are required to pay their estimated tax by quarterly instalments during such year. Each payment must be sent in with Income Tax Instalment Remittance Form T7C. Any balance of Income Tax due is payable on or before the 30th April of the succeeding year, plus interest where applicable.

Doctors who pay salaries or wages to employees are required to deduct tax therefrom in accordance with the Table of Tax Deductions obtainable from District Taxation Offices. Each employee should complete and file one copy of form TD1 with his employer (a) at commencement of employment and (b) within seven days of any change in circumstances affecting his personal exemptions. If Form TD1 is not filed, tax deductions must be made as though the employee were a single person. Tax deductions withheld from salaries or wages must be sent to the local District Taxation Office not later than the 15th day of the following month accompanied by Tax Deduction Remittance Form TD7A.

The following timetable indicates the returns required:
A. Doctors NOT receiving salaries amounting to ½ of income:

Dates due and Forms to be used: March 31, Form T7C; April 30, Form T1 General; June 30, Form T7C; September 30, Form T7C; December 31, Form T7C.

B. Doctors receiving salaries amounting to ½ or more of income:

Dates due: April 30; *Form to be used:* Form T1 General. (Note. Doctors whose earned income consists solely of salary and whose investment income is not over \$2500 may use Form T1 Short unless they claim a capital cost allowance or a foreign tax credit.)

C. Doctors who pay salaries to their own employees:

Dates due and Forms to be used: 15th of each month, Form TD7A; February 28, Form T4 Summary and Supplementary.

Details of the total salaries or wages paid to employees and the tax deducted therefrom must be forwarded to the local District Taxation Office on Forms T4 Summary and T4 Supplementary not later than the last day of February in each year.

INCOME

Under the provisions of the Income Tax Act a doctor is required to maintain an accurate record of all income received both as fees from his profession and by way of investment income. The record should be clear and capable of being readily checked against the return filed. It may be maintained on cards or in books kept for the purpose. Such records must not be destroyed until written permission for their disposal is obtained from the Minister of National Revenue.

EXPENSES

Under the heading of expenses, the following accounts should be maintained and records supported by vouchers kept available for checking purposes.

(a) Medical, surgical and like supplies.

(b) Salaries or wages paid to professional assistants, nurse, office help, bookkeeper. (It is to be noted that the Income Tax Act does not allow as a deduction a salary paid by a husband to a wife or vice versa. Such amount, if paid, is to be added back to the income.)

(c) Telephone expenses (long-distance charges on business calls and service charges for business telephones *listed in the doctor's name*, fees for telephone answering services).

(d) Assistants' fees; the names and addresses of the assistants to whom fees are paid should be furnished. This information is to be given each year on Income Tax form

known as Form T4, obtainable from your District Income Tax Office.

(e) Rentals paid. The name and address of the owner (preferably) or agent of the rented premises should be furnished (see (i)).

(f) Postage and stationery.

(g) Depreciation or capital cost allowance as it is referred to in the Income Tax Act; a description of the treatment of depreciation may be found on page 4 of the Income Tax Return Form T1 General under Part XI Method, and the 1962 T1 General Information sheet.

The method of computing depreciation for tax purposes is the same as that used last year and you should have no difficulty if you have a copy of last year's return available.

Simply carry forward the balance remaining in each class after deducting last year's allowance. Add to this figure the cost of any new equipment purchased and deduct the proceeds from any disposal of property in each class. The rate you wish to use not exceeding the maximum rate (see below) is applied to the new balance for each class to obtain the depreciation you may claim this year.

The maximum rates for the classes of equipment used by doctors follow:

Capital item	Class	Annual maximum depreciation
Medical equipment:		
(a) Instruments costing over \$100 each and medical apparatus of every type	8	20%
(b) Instruments under \$100 each	12	100%
Office furniture and equipment	8	20%
Motor car	10	30%
Buildings of frame construction	6	10%
Buildings of brick construction	3	5%

Where a doctor practises from a house which he owns and resides in, the allowance may be claimed as above on a portion of the cost of the residence, excluding land. For example, if the residence were a brick building costing \$12,000 and one-third of the space were used for the office, the doctor would use \$4,000 as the business portion of the cost and apply the building rate of 5% to determine the maximum depreciation allowable in the first year.

For further information on the subject you may refer to the Income Tax Regulations or you may consult your District Taxation Office.

(h) Automobile expense (one car). This amount will include cost of licence, oil, gasoline, grease, insurance, garage charges and repairs.

Of the total expenses as above, there will be allowable only those incurred in earning the professional income, and if that car is used also for personal driving a proportionate amount of the total expenses should be excluded from the claim made for income tax purposes. "Personal driving" includes driving from home to office and vice versa.

Capital cost allowance may be claimed in respect of the car used in professional practice, but it is restricted to an allowance for that portion of the cost of the car that professional use is of total use.

No expenses or capital cost allowance may be claimed in respect of any car used wholly for personal driving.

(i) Proportional expenses of doctors practising from their residence.

(a) owned by the doctor: where a doctor practises from a house which he owns and as well resides in, a proportionate allowance of house expenses will be given for the study, laboratory, office and waiting room space, on the basis that this space bears to the total space of the residence. The charges cover taxes, light, heat, insurance, repairs, capital cost allowance, and interest on mortgage (name and address of mortgagee to be stated).

(b) rented by the doctor: only the rent and other expenses borne by the doctor such as heat and light will be apportioned inasmuch as the owner takes care of other expenses.

The doctor should be prepared to demonstrate, if called upon to do so, that this apportionment of any particular item is in accordance with the facts relative to that item.

(j) Sundry expenses. These should cover only small items not otherwise classified; for example, laundry, malpractice insurance, etc. The expenses charged to this account should be capable of analysis and supported by records.

Claims for charitable donations should be made in the space provided for the item on the Income Tax forms and should not be included in the professional expenses. Such claims are allowable as a deduction from income up to 10% of the net income upon submission of receipts to your District Taxation Office.

Where donations made in 1961 exceeded 10% of the net income for that year, the excess may be claimed in 1962 provided it does not exceed 10% of the net income for 1962. Where the total of 1961 donations carried forward and the donations made in 1962 exceed 10% of the 1962 income the excess, up to a maximum equal to the 1962 donations, may be carried forward to 1963.

The annual dues paid to governing bodies under which authority to practise is issued and membership association fees, to be recorded on the return, will be admitted as a charge. Initiation fees and the cost of attending postgraduate courses will not be allowed.

(k) Interest. Interest paid on borrowed money may or may not be charged as an expense according to the use made of the borrowed money. For example, if it was used to acquire an interest in a partnership or to buy professional equipment, the interest paid may be claimed as an expense in computing professional income, while if it was used to acquire securities or real property, the interest paid may be claimed as an expense in computing the income received from the securities or real property. On the other hand, interest paid on money borrowed for personal use may not be claimed as a deduction from any kind of income.

(1) Business tax will be allowed as an expense, but Dominion, Provincial or Municipal income tax will not be allowed.

(m) If no claim is made for charitable donations, association fees, or medical expenses, a deduction of \$100 is allowable.

(n) Social club dues are allowable only when, and to the extent that, they are paid for business purposes, and any doctor claiming them may be required to prove, to the satisfaction of the taxation authorities, that the amount claimed was expended wholly and directly for the purpose of increasing his business income. "Social club dues" means annual or monthly membership dues or fees; it does not include an initiation or entrance fee or the cost of a share of a club's capital stock, nor does it include charges for food and drink, living accommodation, fees for the introduction of guests and the like.

CONVENTION EXPENSES

Under Section 11(i) (ia) of the Income Tax Act, convention expenses are allowable to an individual carrying on a business or practising a profession, but the allowance is restricted to the expense of attending no more than two conventions in a taxation year. Furthermore, the taxpayer's attendance at the convention must have been for business or professional reasons. There are no geographical restrictions and the convention, therefore, need not necessarily have been held in Canada.

As heretofore, the expenses to be allowed must be reasonable, and the taxpayer should show:

(1) The dates on or between which the convention was held, and the location thereof;

(2) The number of days he was present at the convention, supported by certificate of attendance from the sponsoring organization; and

(3) The expenses incurred, segregating (a) transportation expenses, (b) meals, and (c) hotel expenses, for which at least vouchers should be obtained and kept available for inspection.

All expenses of a personal nature, including those attributable to the fact that the taxpayer's wife (or husband as the case may be) accompanied him to the convention, must be excluded from the foregoing.

No expenses for attending a convention are allowable as a deduction from salary income, since such a deduction is prohibited by Section 5 of the Act.

REGISTERED RETIREMENT SAVINGS PLANS

The amount that is deductible in respect of contributions to a retirement savings plan is limited:

(a) in the case of an employee receiving a salary who is covered by a registered employer-employee pension plan (whether or not he contributes to the pension fund) to the lesser of \$1500 or 10% of his earned income minus, in each case, the amount, if any, of his deductible contributions for the year under that pension plan; and

(b) in other cases to the lesser of \$2500 or 10% of his earned income. "Earned income" usually consists of income received as salary (before any pension deductions) or income from carrying on a business or profession, plus net rental income.

The amounts deductible are those paid in 1962 and within 60 days after the end of the year. A payment made in January or February of 1963 cannot be claimed in 1963 if it could have been deducted in 1962.

Individuals enquiring whether a proposed or existing plan is acceptable should usually request that information from the corporation offering the plan, as it will normally be the corporation's responsibility to explain the plan and get it registered.

Doctors who have applied for membership in the Canadian Medical Retirement Savings Plan not later than February 9, 1963, may be assured that their names are registered as participants in a registered retirement savings plan and that their contributions are deductible for the taxation year 1962 to the extent outlined above. The closing date of February 9, 1963, has been established by arrangement with the Bank of Montreal for C.M.R.S.P. contributions applicable to 1962. Certificates showing the amount of contributions will be mailed to C.M.R.S.P. members in March 1963, to support claims made for deductions in their 1962 income tax returns.

Applications for membership in C.M.R.S.P. and contributions received after February 9, 1963, will entitle participants to tax deferment for 1963.

PROFESSIONAL MEN UNDER SALARY CONTRACT

The Income Tax Act provides that income from an office or employment is liable to tax without deductions of any kind except such as are specifically provided for in the Act. The allowable deductions include the employee's contributions to a pension fund, alimony, travelling expenses, annual professional membership dues, office rent, salary to an assistant or substitute, supplies consumed directly in the performance of the duties of employment and amounts paid into a retirement savings plan.

Section 11 (10) (a) of the Income Tax Act permits the deduction from income of an office or employment of annual professional membership dues only if their payment was "necessary to maintain a professional status recognized by statute".

The annual registration fee of the provincial medical licensing authority would be allowable if paid by the doctor himself.

Certain conditions are attached to the allowance of the expenses, and without trying to recite the exact provisions of the law, it may be said the main points are that:

(a) The expenses must have been incurred in the performance of the duties of the office or employment.

(b) The employee is required, under the contract of employment, to pay the expenses.

(c) To claim travelling expenses the employee must be ordinarily required to carry on the duties of his employment away from his employer's place of business. Travelling between the doctor's home and his office is not included.

Where travelling expenses are allowable under these provisions, depreciation may be claimed on the automobile used for this purpose, but no other claim for depreciation may be made.

INCOME FROM A PARTNERSHIP

Additional expenses incurred by a partner, but not charged to the partnership, may be claimed as a deduction from the partner's share of income. However, the partner must be in a position to substantiate these expenses, to show why they were not charged directly to the partnership and that they were necessarily laid out to earn the partnership income.